

No. 4256

IN THE
United States Circuit Court of Appeals) 2
FOR THE NINTH CIRCUIT.

WILLIAM R. RAY and W. S. RAY MANUFACTURING
COMPANY (a corporation),

Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS,

Appellee and Cross-Appellant.

Brief on Behalf of Cross-Appellant
Bunting Iron Works.

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Bunting Iron Works.

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I.

STATEMENT OF FACTS.

This case comes before this Court on an appeal from a final decree dismissing the cross-complaint of the defendant Bunting Iron Works.

The defendant's cross-complaint alleges infringement, by the plaintiffs, William R. Ray and W. S. Ray Manufacturing Company, of United States letters patent No. 1,158,058, issued on October 26, 1915,

to Joseph H. King, as assignor to American Standard Oil Burner Company, for "Centrifugal Burner."

The record, on this cross-appeal, embraces the Cross-Complainant's Condensed Statement of the Evidence under Equity Rule 75, and this statement appears at page 222 of the Transcript of Record.

In complainants' answer to said cross-complaint (R. 30), the validity of the King patent is not attacked. No affirmative defense, effecting such validity, is pleaded. No prior patents, no prior publications, no prior uses and no prior inventions are pleaded in said answer to the cross-complaint charging infringement of this King patent.

Only one prior art publication, to wit: the "Naval Liquid Fuel Report," was offered in evidence by the cross-defendants in respect to the issues raised by the cross-complaint and the answer thereto. This publication was specifically offered in evidence solely for the purpose of showing the prior art, and is marked "Plaintiff's Exhibit 29" (R. 204). As it was not pleaded, such publication was not admissible to prove invalidity. This well established rule was announced by this Court in the case of *Morton v. Llewellyn et al.*, 164 Fed. 693, 694, in the following words:

"The law is well settled that the defendant to a suit for infringement must give notice in his answer of any defense by way of prior patents, publications, or public use, if he desires to prove

any of such defenses to show want of novelty or invention in the patent sued on."

However, it is not contended that the validity of the King patent is affected by this "Naval Liquid Fuel Report," which was considered by the Patent Office in connection with King's application, which disclosed a substantially different structure.

By referring to such "Condensed Statement" (R. 222), it will be noted that the parties stipulated: that the parties were corporations, as pleaded; that the cross-complainant was the sole owner of the King patent, and of all causes of action for past infringement thereof; and that the cross-defendants had made and sold, within six years prior to the filing of the cross-complaint, devices as disclosed, illustrated and described in the Ray Manufacturing Company catalog, Defendant's Exhibit A.

To prove notice of infringement, cross-complainant offered in evidence a certified copy of the bill of complaint, filed in the lower court on December 20, 1915, by the cross-complainant's predecessor in interest in the King patent, American Standard Oil Burner Company, in its suit against W. S. Ray Manufacturing Company for the infringement of the King patent. This bill of complaint, together with the answer thereto and a copy of the order, dismissing the bill *without prejudice*, are in evidence as "Defendant's Exhibit KK" (R. 170).

It is to be noted that said answer of W. S. Ray Manufacturing Company was filed on September 1, 1917, and embraces no cross-complaint charging infringement of any patents of the Ray Company, although, at that time, cross-complainant's predecessor in interest in the King patent and in cross-complainant's business, to wit, American Standard Oil Burner Company, was making and selling devices like those made by the Bunting Iron Works and, in the complaint herein, charged to infringe the Ray patent No. 1,193,819, issued August 8, 1916 (R. 184).

The Ray Company's failure, in September, 1917, to so charge infringement of said Ray patent, is referred to by reason of that company's attempt, in the case at bar, to maintain the defense of "estoppel," based on the dismissal "*without prejudice*," of said suit brought against it by cross-complainant's predecessor in interest for the infringement of the King patent. Such dismissal "*without prejudice*" was a specific and direct notice to the Ray Company that the then owner of the King patent reserved the right to again file another suit for the same cause of action and, therefore, such a dismissal could never be construed as a withdrawal of the charge of infringement. And, therefore, such a dismissal cannot be relied on as an "estoppel."

If any estoppel arose out of such suit, it was one stopping the Ray Company from thereafter charging infringement of said Ray patent by the type of device

then being sold by the American Standard Oil Burner Company and thereafter sold by the Bunting Iron Works and, in the complaint herein, charged to infringe said Ray patent. The Ray Company's failure to file, in said suit, a cross-complaint charging infringement of said Ray patent, was an act on which the American Standard Oil Burner Company and its successor, the Bunting Iron Works, were entitled to rely and which they were entitled to interpret as acquiescence in their course of conduct in respect to the making and selling of such type of oil burner.

In view of the stipulated facts, as set forth in such "Condensed Statement," only two defenses relied on are pleaded in the answer to the cross-complaint herein, to wit, non-infringement and estoppel. As stated before, the validity of the King patent is not attacked in said answer, and no evidence or proofs, relative to the issues raised by the cross-complaint and answer thereto and relative to the validity of the King patent, were received in evidence.

Relative to the scope of the King patent claims, only one prior art publication was offered in evidence by cross-defendants, the same being the "Naval Liquid Fuel Report" above referred to.

It is, therefore, necessary for your Honors to consider only two defenses, to wit, non-infringement and estoppel. In respect to the question of infringement, the scope of the King patent claims is to be determined in the light of only one prior art device, to wit,

the centrifugal "*flat disk*" oil burner disclosed in said "Naval Liquid Fuel Report." No prior art was pleaded in cross-defendants' answer to the cross-complaint, and no prior art, other than said "Naval Liquid Fuel Report" was offered in evidence in respect to the issues raised by the cross-complaint and the answer thereto. In other words, it is our contention that the prior art offered in evidence by the defendant and cross-complainant, Bunting Iron Works, in respect to the issues raised by the complaint and answer thereto, can only affect those issues and are not available for use by the plaintiffs and cross-defendants in respect to the issues raised by the cross-complaint on the King patent and the answer to said cross-complaint. To hold otherwise would be to ignore the rule announced in the *Morton v. Llewellyn* case, *supra*, and to permit proofs, offered in respect to one cause of action only, to be used in respect to a separate and distinct case on another patent, notwithstanding the failure to plead as required by the Revised Statutes.

Claims 1 and 2 of the King patent are relied on and charged to be infringed. These claims read as follows:

"1. In a centrifugal burner, the combination of a casing open at its upper end, an open enlarged cup shaped centrifugal atomizer journaled in the casing, said atomizer having its open end projecting through the upper end of the casing, and

means for introducing oil into the lower end of the atomizer.”

“2. In a centrifugal burner, the combination of a casing open at its upper end, an open outwardly flaring enlarged cup shaped centrifugal atomizer journaled in the casing, said atomizer having its open end projecting through the upper end of the casing and spaced from same, means for introducing oil through the lower end of the atomizer and means for inducing an air current through the casing between the atomizer and casing.”

The centrifugal oil burner, admittedly made and sold by the cross-defendants, William R. Ray and W. S. Ray Manufacturing Company and charged to infringe claims 1 and 2 of the King patent, is described and illustrated in their catalog, “Defendant’s Exhibit A” (R. 224).

In regard to the infringement of the King patent, his Honor, Judge Bourquin, who tried this case in the lower court, said:

“In respect to defendant’s patent, little has been said for or against it. It seems to be set out more as a counter-irritant, and the actual instrumentality is not in evidence. Whatever its merits, wherein complainant has infringed, if at all, is not particularized. Whether valid or not, the evidence does not prove infringement. And that only is the decision of the Court.” (R. 210.)

The foregoing embraces all that is said in Judge Bourquin’s opinion herein in respect to the infringe-

ment of the King patent. In so finding that the evidence did not prove infringement, we believe Judge Bourquin overlooked the stipulation (R. 55) to the effect that the cross-defendants had made and sold the devices disclosed in their catalog, "Defendant's Exhibit A." In other words, we believe that Judge Bourquin found non-infringement on the theory that the cross-plaintiff, Bunting Iron Works, had failed to prove the manufacture or sale of the device charged to be an infringement. In our judgment, his opinion is susceptible of only this interpretation because, as will hereafter appear, the King patent claims 1 and 2 read directly on and accurately describe the centrifugal oil burner disclosed in said catalog, "Defendant's Exhibit A."

In view of the foregoing fact that the King patent claims 1 and 2 accurately and completely describe said oil burner described in said catalog, we do not believe the lower court would have so worded its opinion if the same was intended to be a finding that said Ray centrifugal oil burner was not within the language and scope of said claims and, therefore, not an infringement thereof.

II.

THE KING PATENT.

The King patent No. 1,158,058 was applied for on March 23, 1914, and issued on October 26, 1915, for "Centrifugal Burner." By referring to Fig. 1 of this patent, it will be noted the King burner comprises a casing 2 open at its end; an open enlarged cup shaped centrifugal atomizer 7 journaled in the casing and the open end of the cup projecting through the end of the casing 2; the hollow standard 5 through which oil is delivered to the bottom of the cup 7; and the fan 9 for inducing an air current between the casing 2 and the cup 7. The foregoing elements comprise all the elements specified in claims 1 and 2 of the King patent.

On the casing 2, is secured an adjustable collar 15 which may be moved to and from the cup 7 to increase or decrease the area of the annular air outlet 13, or, in other words, to regulate the *volume* and *velocity* of the air discharging from the burner into the furnace. As the patentee, King, says, at line 104, page 2, of his patent:

"The adjustable collar, together with the horizontally positioned fan, permits the volume and velocity of air to be regulated for various conditions and sizes of furnaces, and the velocity of air may be increased by raising the collar through means of adjusting the screw 16. This also serves to reduce the volume, if necessary. It can thus be seen that the flame area may be easily concen-

trated or spread by adjusting the area of the annular air discharge opening."

It is thus seen, the King device embraces means for varying both the *volume* and the *velocity* of the air and thereby attain whatever results are desired in respect to the shape or form of flame and in respect to the atomizing effect of the current of air in cooperation with the atomizing effect of the revolving oil cup, throwing the oil off at right angles to the axis of rotation.

In respect to the advantages adhering in the cup shaped centrifugal atomizer, the patentee says at line 115, page 2, of his patent:

"The oil introduced into this burner is cold and is superheated by the reflected heat to which it is exposed while passing through the atomizer. The temperature of the oil should be about the flashing point when discharging over the edge of the atomizer, and this result may be easily obtained by introducing either shallow or deep cups. If the temperature is rather low within the furnace it can easily be seen that it will be necessary to expose the oil to the reflected heat a longer time than if the temperature is high. A deep cup would thus be required in a furnace only requiring a low temperature, as the oil would be exposed a greater time period in a deep cup than in a shallow cup. Similarly, where high temperature is encountered, it will only be necessary to insert a shallow cup, thus reducing the time period to which the oil is exposed before discharging into the furnace."

During the prosecution of the King application, the said "Naval Liquid Fuel Report" was cited as a reference by the Patent Office Examiner. This report discloses an oil burner provided with a *flat steel disk* operating as the centrifugal oil atomizer. In order to differentiate claims 1 and 2 of his application from said *flat disk* construction, King limited said claims respectively to "an open *enlarged cup shaped* centrifugal atomizer," and to "an open *outwardly flaring enlarged cup shaped* centrifugal atomizer." The said application claims, before such amendment thereof, were the same as the King patent claims 1 and 2, with the exception of said words in *italics* in the above quotations and which words "enlarged," "outwardly flaring enlarged" and "shaped" were so inserted to differentiate Kings "cup" from such "flat disk" of the reference.

In view of the fact that the infringing Ray burner embraces the King cup construction and not such a "*flat disk*," such limitation of the King claims does not affect the question of infringement.

In the device disclosed in such "Naval Liquid Fuel Report," the "flat disk" was arranged to rotate in a *horizontal* plane. It will be noted that the King burner is also illustrated with the cup rotating in a *horizontal* plane and the burner thus adapted to be placed in the center of a furnace beneath the boiler. However, it is quite obvious that the King burner could be inserted in the end of the furnace and with

the cup rotating in a *vertical* plane. This obvious fact is mentioned in said "Naval Liquid Fuel Report," wherein it is said:

"For purposes of use in furnaces of Scotch boilers it would be desirable to place the rotating head in the end of the furnace, and require the disk to revolve in a *vertical* plane."

The foregoing quotation is of interest because the Ray burner is adapted for insertion in the end of the furnace and, as stated in such Report, the Ray centrifugal cup is required to be rotated in a *vertical* plane. Revolve the King burner, as illustrated in Fig. 1 of the King patent, through an arc of 90 degrees and the cup therein will then be rotating in a *vertical* plane. It would seem to be self-evident that infringement could not be avoided by simply positioning the patented device in a horizontal plane instead of in a vertical plane, as illustrated in the patent drawings.

The fact, that it is immaterial whether the operation of a device be in a vertical or horizontal plane, is referred to in the case of *Metallic Extraction Co. v. Brown*, 104 Fed. 345, 353, wherein the Circuit Court of Appeals for the Eighth Circuit said:

"*Winans v. Denmead* was cited and the doctrine enunciated therein was applied, in the recent case of *Hoyt v. Horne*, 145 U. S. 302, 12 Sup. Ct. 922, 36 L. Ed. 713, where the patent under consideration was for an improvement in machines

for beating rags and other fibrous material into pulp. In that case it appeared that the patentee in one of his claims had described his improvement as consisting in part 'in circulating the fibrous material and liquid in vertical planes.' By making slight changes in some parts of the machine described by the patent, the defendant had manufactured and was using a pulp-making machine which caused the pulp to circulate in a vat in a 'horizontal plane' instead of circulating in 'vertical planes.' Upon an examination of the defendant's machine, the court found that he had succeeded in appropriating all that was of value in the patented device. It accordingly held the defendant guilty of an infringement of the plaintiff's patent, and declined to regard the statement contained in the plaintiff's claim as to the manner in which the pulp circulated as a limitation of the claim. *Winans v. Denmead* has been cited with approval, and the principle enunciated has been applied in several other cases, to wit: *McCormick Harvesting Mach. Co. v. Aultman & Co.*, 37 U. S. App. 299, 16 C. C. A. 259, 69 Fed. 371, 387; *Reece Buttonhole Mach. Co. v. Globe Buttonhole Mach. Co.*, 21 U. S. App. 244, 10 C. C. A. 194, 61 Fed. 958; *Electric Co. v. La Rue*, 139 U. S. 601, 606, 11 Sup. Ct. 670, 35 L. Ed. 294; *Devlin v. Paynter*, 28 U. S. App. 115, 12 C. C. A. 188, 64 Fed. 398.

III.

INFRINGEMENT.

On page 4 of the Ray Manufacturing Company's catalog, "Defendant's Exhibit A," there is illustrated the burner charged to infringe claims 1 and 2 of the King patent. In the illustration at the top of said page, the centrifugal oil cup is shown rotating in a vertical plane. In Fig. 1 at the bottom of said page, the cup is shown rotating in a horizontal plane. The fan is not shown in these illustrations, but the same is shown in other cuts in the catalog and reference to the same is made in the upper illustration on page 4.

In the language of the King patent claims 1 and 2, it is apparent this Ray burner is a centrifugal burner embodying (1) "a casing open at its upper end" and same being the element designated as "nozzle" in the Ray illustration; (2) "an open enlarged cup shaped centrifugal atomizer journaled in the casing" and same being designated "atomizing cup" in the Ray illustration; (3) "said atomizer having its open end projecting through the upper end of the casing," as is apparent from an inspection of said illustrations; (4) "and means for introducing oil into the lower end of the atomizer," as is also apparent from an inspection of such illustration at the top of the page wherein the oil is shown pouring out of the hollow standard and pipe into the bottom of the cup, just as in the King device; and (5) "means for inducing an

air current through the casing between the atomizer and casing" and which air is indicated in the illustration at the top of said page by arrows and the words "Air from fan" and shown as passing between the casing or nozzle and the atomizing cup.

The foregoing embrace all of the elements of claims 1 and 2 of the King patent, and it is apparent they are present in said Ray burner and therein inter-related and combined in the same manner in which they are inter-related in the King burner. In both the King and Ray burners, said elements function in substantially the same way to accomplish substantially the same result.

In view of the foregoing, there seems no occasion to further discuss the question of infringement. "It is so plain that to argue it would obscure it."

IV.

ESTOPPEL DEFENSE.

The defense of estoppel is based upon the following facts: On December 20, 1915, the then owner of the King patent, American Standard Oil Burner Company, filed in the lower court its bill of complaint against W. S. Ray Manufacturing Company, and therein alleged the infringement of the King patent; on September 1, 1917, the Ray Company filed its answer in said suit but did not file any cross-complaint charging the infringement of the first Ray patent, sued on herein, notwithstanding that, at that time, the American Standard Oil Burner Company was making and selling the type of burner thereafter made and sold by Bunting Iron Works and charged, in the complaint herein, to be an infringement of the said Ray patent; that, on May 26, 1919, said suit on the King patent was dismissed without prejudice; and that no other complaint for the infringement of the King patent was filed until April 27, 1922, when the Bunting Iron Works filed herein its cross-complaint charging infringement of the said King patent.

From the foregoing, it is obvious that the dismissal of the said suit on May 26, 1919, "*without prejudice*," was an unequivocal notice to the cross-defendants that the charge of infringement of the King patent was not withdrawn or waived and said infringement thereof not acquiesced in because the then owner of

the King patent took the precaution of dismissing said suit "without prejudice" and so reserving the right to file another suit for the same cause of action. In view of such unequivocal notice that the right, to again sue on the King patent, was reserved, the Ray Company was not misled in respect to the position of the then owner of the King patent and, therefore, no estoppel could possibly arise out of such dismissal.

If any estoppel arose out of the foregoing facts, it was one in favor of the American Standard Oil Burner Company and its successor in interest, Bunting Iron Works. The failure of the Ray Manufacturing Company to file, in said suit, a cross-complaint charging infringement of said first Ray patent of August 8, 1916, very naturally led the American Standard Oil Burner Company to believe that its burner (like the Bunting Iron Works burner herein charged to infringe said patent) was not deemed an infringement and that it could safely proceed with the manufacture thereof. Such silence on the part of the Ray Company was certainly a course of conduct upon which the American Company was entitled to rely, and the same should now estop the Ray Company from maintaining its charge of infringement herein. However, the American Standard Oil Burner Company was not silent in respect to its rights under the King patent and notice thereof was given to the Ray Company, and said rights were never waived nor surrendered.

CONCLUSION.

In view of the foregoing, we respectfully submit that the decree of the lower court dismissing the cross-complaint herein should be reversed and the usual interlocutory decree in favor of the cross-complainant, Bunting Iron Works, be directed entered herein.

Respectfully submitted,

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